

COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 287, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 6, between lines 7 and 8, begin a new paragraph and insert:
- 2 "SECTION 6. IC 4-21.5-2-4, AS AMENDED BY P.L.91-2006,
- 3 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4 JULY 1, 2007]: Sec. 4. (a) This article does not apply to any of the
- 5 following agencies:
- 6 (1) The governor.
- 7 (2) The state board of accounts.
- 8 (3) The state educational institutions (as defined by
- 9 IC 20-12-0.5-1).
- 10 (4) The department of workforce development.
- 11 (5) The unemployment insurance review board of the department
- 12 of workforce development.
- 13 (6) The worker's compensation board of Indiana.
- 14 (7) The military officers or boards.
- 15 (8) The Indiana utility regulatory commission.
- 16 (9) The department of state revenue (excluding an agency action
- 17 related to the licensure of private employment agencies).
- 18 (10) The department of local government finance.
- 19 **(11) The Indiana board of tax review.**
- 20 (b) This article does not apply to action related to railroad rate and

1 tariff regulation by the Indiana department of transportation.

2 SECTION 7. IC 4-21.5-2-6, AS AMENDED BY P.L.234-2005,
3 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2007]: Sec. 6. ~~(a)~~ This article does not apply to the
5 formulation, issuance, or administrative review (but does ~~except as~~
6 ~~provided in subsection (b)~~, apply to the judicial review and civil
7 enforcement) of any of the following:

8 (1) Except as provided in IC 12-17.2-4-18.7 and
9 IC 12-17.2-5-18.7, determinations by the division of family
10 resources and the department of child services.

11 (2) Determinations by the alcohol and tobacco commission.

12 (3) Determinations by the office of Medicaid policy and planning
13 concerning recipients and applicants of Medicaid. However, this
14 article does apply to determinations by the office of Medicaid
15 policy and planning concerning providers.

16 (4) A final determination of the Indiana board of tax review.

17 ~~(b) IC 4-21.5-5-12 and IC 4-21.5-5-14 do not apply to judicial~~
18 ~~review of a final determination of the Indiana board of tax review.~~

19 SECTION 8. IC 4-21.5-5-3 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) The following
21 have standing to obtain judicial review of an agency action:

22 (1) A person to whom the agency action is specifically directed.

23 (2) A person who was a party to the agency proceedings that led
24 to the agency action.

25 (3) A person eligible for standing under a law applicable to the
26 agency action.

27 (4) A person otherwise aggrieved or adversely affected by the
28 agency action.

29 ~~(5) The department of local government finance with respect to~~
30 ~~judicial review of a final determination of the Indiana board of tax~~
31 ~~review in an action in which the department has intervened under~~
32 ~~IC 6-1.1-15-5(b).~~

33 (b) A person has standing under subsection (a)(4) only if:

34 (1) the agency action has prejudiced or is likely to prejudice the
35 interests of the person;

36 (2) the person:

37 (A) was eligible for an initial notice of an order or proceeding
38 under this article, was not notified of the order or proceeding

- 1 in substantial compliance with this article, and did not have
 2 actual notice of the order or proceeding before the last date in
 3 the proceeding that the person could object or otherwise
 4 intervene to contest the agency action; or
 5 (B) was qualified to intervene to contest an agency action
 6 under IC 4-21.5-3-21(a), petitioned for intervention in the
 7 proceeding, and was denied party status;
 8 (3) the person's asserted interests are among those that the agency
 9 was required to consider when it engaged in the agency action
 10 challenged; and
 11 (4) a judgment in favor of the person would substantially
 12 eliminate or redress the prejudice to the person caused or likely
 13 to be caused by the agency action.

14 SECTION 9. IC 4-21.5-5-6 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) ~~Except as~~
 16 ~~provided in subsection (e)~~, Venue is in the judicial district where:

- 17 (1) the petitioner resides or maintains a principal place of
 18 business;
 19 (2) the agency action is to be carried out or enforced; or
 20 (3) the principal office of the agency taking the agency action is
 21 located.

22 (b) If more than one (1) person may be aggrieved by the agency
 23 action, only one (1) proceeding for review may be had, and the court in
 24 which a petition for review is first properly filed has jurisdiction.

25 (c) The rules of procedure governing civil actions in the courts
 26 govern pleadings and requests under this chapter for a change of judge
 27 or change of venue to another judicial district described in subsection
 28 (a).

29 (d) Each person who was a party to the proceeding before the
 30 agency is a party to the petition for review.

31 ~~(e) Venue with respect to judicial review of an action of the Indiana~~
 32 ~~board of tax review is in the tax court.~~

33 SECTION 10. IC 4-22-5-1 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. Where under the
 35 provisions of any statute, the department of local government finance
 36 or the Indiana board of tax review (referred to as "the Indiana board"
 37 in this section) is required to conduct a hearing, the commissioner of
 38 the department or a member or members of the Indiana board need not

be present or preside at such hearing, but the commissioner or the Indiana board shall have the power, by an order in writing, to appoint to so preside hearing officers whose duties shall be prescribed in the order. In the discharge of their duties, the hearing officers shall have all the powers to investigate and to require evidence granted to the department or the Indiana board. The department or the Indiana board may conduct any number of hearings contemporaneously through different hearing officers. ~~At the conclusion of a hearing, the hearing officer shall make a written report thereof. After receipt of the report the department or the Indiana board may take further evidence or hold further hearings. The decisions of the department or the Indiana board shall be based upon the report, additional evidence, and records as the department or Indiana board deems pertinent."~~

Page 6, line 22, delete "or".

Page 6, line 24, after "IC 36-2-15-11;" insert "**or**

(3) the absence of any candidates in a township for the office of township assessor or township trustee-assessor who have attained the certification of a level two assessor-appraiser as required by IC 3-8-1-23.5, as described in IC 36-2-15-5(j);"

Page 7, line 8, after "assessor" insert ":".

Page 7, line 8, delete "shall:".

Page 7, line 9, after "(1)" insert "**shall review and may**".

Page 7, line 10, after "(2)" insert "**shall**".

Page 9, reset in italic type lines 32 through 37.

Page 12, delete lines 2 through 42, begin a new paragraph and insert:

"SECTION 19. IC 6-1.1-5.5-3, AS AMENDED BY P.L.228-2005, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. (a) For purposes of this section, "party" includes:

(1) a seller of property that is exempt under the seller's ownership;

or

(2) a purchaser of property that is exempt under the purchaser's ownership;

from property taxes under IC 6-1.1-10.

(b) Before filing a conveyance document with the county auditor under IC 6-1.1-5-4, all the parties to the conveyance must **do the following:**

(1) Complete and sign a sales disclosure form as prescribed by the department of local government finance under section 5 of this chapter. All the parties may sign one (1) form, or if all the parties do not agree on the information to be included on the completed form, each party may sign and file a separate form.

(2) Before filing a sales disclosure form with the county auditor, submit the sales disclosure form to the county assessor (or township assessor in the case of a county containing a consolidated city). The county assessor or township assessor must review the accuracy and completeness of each sales disclosure form submitted and, if the sales disclosure form is accurate and complete, stamp the sales disclosure form as eligible for filing with the county auditor.

(3) File the sales disclosure form with the county auditor.

(c) Except as provided in subsection (d), the auditor shall forward each sales disclosure form to the county assessor. The county assessor shall retain the forms for five (5) years. The county assessor shall forward the sales disclosure form data to the department of local government finance and the legislative services agency

~~(1) before January 1, 2005, in an electronic format, if possible; and~~

~~(2) after December 31, 2004, in an electronic format specified jointly by the department of local government finance and the legislative services agency.~~

The county assessor shall forward a copy of the sales disclosure forms to the township assessors in the county. The forms may be used by the county assessing officials, the department of local government finance, and the legislative services agency for the purposes established in IC 6-1.1-4-13.6, sales ratio studies, equalization, adoption of rules under IC 6-1.1-31-3 and IC 6-1.1-31-6, and any other authorized purpose.

(d) In a county containing a consolidated city, the auditor shall forward the sales disclosure form to the appropriate township assessor. The township assessor shall forward the sales disclosure form to the department of local government finance and the legislative services agency

~~(1) before January 1, 2005, in an electronic format, if possible; and~~

(2) after ~~December 31, 2004~~, in an electronic format specified jointly by the department of local government finance and the legislative services agency.

The forms may be used by the county assessing officials, the department of local government finance, and the legislative services agency for the purposes established in IC 6-1.1-4-13.6, sales ratio studies, equalization, adoption of rules under IC 6-1.1-31-3 and IC 6-1.1-31-6, and any other authorized purpose.

(e) If a sales disclosure form includes the telephone number or Social Security number of a party, the telephone number or Social Security number is confidential."

Page 13, delete lines 1 through 36.

Page 14, line 30, after "statement" delete "." and insert "**or a statement from the mortgagor or closing agent that states the sale price of the real property transferred under the conveyance document.**".

Page 14, line 36, after "mortgagor" insert "**or closing agent**".

Page 18, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 30. IC 6-1.1-12.1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) Except as provided in section 2(i)(4) of this chapter, **and subject to section 15 of this chapter**, the amount of the deduction which the property owner is entitled to receive under section 3 of this chapter for a particular year equals the product of:

(1) the increase in the assessed value resulting from the rehabilitation or redevelopment; multiplied by

(2) the percentage prescribed in the table set forth in subsection (d).

(b) The amount of the deduction determined under subsection (a) shall be adjusted in accordance with this subsection in the following circumstances:

(1) If a general reassessment of real property occurs within the particular period of the deduction, the amount determined under subsection (a)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the general reassessment.

(2) If an appeal of an assessment is approved that results in a reduction of the assessed value of the redeveloped or rehabilitated

property, the amount of any deduction shall be adjusted to reflect the percentage decrease that resulted from the appeal.

The department of local government finance shall adopt rules under IC 4-22-2 to implement this subsection.

(c) Property owners who had an area designated an urban development area pursuant to an application filed prior to January 1, 1979, are only entitled to the deduction for the first through the fifth years as provided in subsection (d)(10). In addition, property owners who are entitled to a deduction under this chapter pursuant to an application filed after December 31, 1978, and before January 1, 1986, are entitled to a deduction for the first through the tenth years, as provided in subsection (d)(10).

(d) The percentage to be used in calculating the deduction under subsection (a) is as follows:

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%

(2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%

(3) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%

(4) For deductions allowed over a four (4) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	75%
3rd	50%
4th	25%

(5) For deductions allowed over a five (5) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	80%
3rd	60%
4th	40%

1	5th	20%
2	(6) For deductions allowed over a six (6) year period:	
3	YEAR OF DEDUCTION	PERCENTAGE
4	1st	100%
5	2nd	85%
6	3rd	66%
7	4th	50%
8	5th	34%
9	6th	17%
10	(7) For deductions allowed over a seven (7) year period:	
11	YEAR OF DEDUCTION	PERCENTAGE
12	1st	100%
13	2nd	85%
14	3rd	71%
15	4th	57%
16	5th	43%
17	6th	29%
18	7th	14%
19	(8) For deductions allowed over an eight (8) year period:	
20	YEAR OF DEDUCTION	PERCENTAGE
21	1st	100%
22	2nd	88%
23	3rd	75%
24	4th	63%
25	5th	50%
26	6th	38%
27	7th	25%
28	8th	13%
29	(9) For deductions allowed over a nine (9) year period:	
30	YEAR OF DEDUCTION	PERCENTAGE
31	1st	100%
32	2nd	88%
33	3rd	77%
34	4th	66%
35	5th	55%
36	6th	44%
37	7th	33%
38	8th	22%

1	9th	11%
2	(10) For deductions allowed over a ten (10) year period:	
3	YEAR OF DEDUCTION	PERCENTAGE
4	1st	100%
5	2nd	95%
6	3rd	80%
7	4th	65%
8	5th	50%
9	6th	40%
10	7th	30%
11	8th	20%
12	9th	10%
13	10th	5%

14 SECTION 31. IC 6-1.1-12.1-4.1 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4.1. (a) Section 4 of
 16 this chapter applies to economic revitalization areas that are not
 17 residentially distressed areas.

18 (b) This subsection applies to economic revitalization areas that are
 19 residentially distressed areas. **Subject to section 15 of this chapter,**
 20 the amount of the deduction that a property owner is entitled to receive
 21 under section 3 of this chapter for a particular year equals the lesser of:

- 22 (1) the assessed value of the improvement to the property after the
 23 rehabilitation or redevelopment has occurred; or
 24 (2) the following amount:

25	TYPE OF DWELLING	AMOUNT
26	One (1) family dwelling	\$74,880
27	Two (2) family dwelling	\$106,080
28	Three (3) unit multifamily dwelling	\$156,000
29	Four (4) unit multifamily dwelling	\$199,680

30 SECTION 32. IC 6-1.1-12.1-4.5, AS AMENDED BY P.L.154-2006,
 31 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2007]: Sec. 4.5. (a) For purposes of this section, "personal
 33 property" means personal property other than inventory (as defined in
 34 IC 6-1.1-3-11(a)).

35 (b) An applicant must provide a statement of benefits to the
 36 designating body. The applicant must provide the completed statement
 37 of benefits form to the designating body before the hearing specified in
 38 section 2.5(c) of this chapter or before the installation of the new

1 manufacturing equipment, new research and development equipment,
 2 new logistical distribution equipment, or new information technology
 3 equipment for which the person desires to claim a deduction under this
 4 chapter. The department of local government finance shall prescribe a
 5 form for the statement of benefits. The statement of benefits must
 6 include the following information:

7 (1) A description of the new manufacturing equipment, new
 8 research and development equipment, new logistical distribution
 9 equipment, or new information technology equipment that the
 10 person proposes to acquire.

11 (2) With respect to:

12 (A) new manufacturing equipment not used to dispose of solid
 13 waste or hazardous waste by converting the solid waste or
 14 hazardous waste into energy or other useful products; and

15 (B) new research and development equipment, new logistical
 16 distribution equipment, or new information technology
 17 equipment;

18 an estimate of the number of individuals who will be employed or
 19 whose employment will be retained by the person as a result of
 20 the installation of the new manufacturing equipment, new
 21 research and development equipment, new logistical distribution
 22 equipment, or new information technology equipment and an
 23 estimate of the annual salaries of these individuals.

24 (3) An estimate of the cost of the new manufacturing equipment,
 25 new research and development equipment, new logistical
 26 distribution equipment, or new information technology
 27 equipment.

28 (4) With respect to new manufacturing equipment used to dispose
 29 of solid waste or hazardous waste by converting the solid waste
 30 or hazardous waste into energy or other useful products, an
 31 estimate of the amount of solid waste or hazardous waste that will
 32 be converted into energy or other useful products by the new
 33 manufacturing equipment.

34 The statement of benefits may be incorporated in a designation
 35 application. Notwithstanding any other law, a statement of benefits is
 36 a public record that may be inspected and copied under IC 5-14-3-3.

37 (c) The designating body must review the statement of benefits
 38 required under subsection (b). The designating body shall determine

whether an area should be designated an economic revitalization area or whether the deduction shall be allowed, based on (and after it has made) the following findings:

(1) Whether the estimate of the cost of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is reasonable for equipment of that type.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(B) new research and development equipment, new logistical distribution equipment, or new information technology equipment;

whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(3) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, whether the estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products can be reasonably expected to result from the installation of the new manufacturing equipment.

(5) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology

equipment.

(6) Whether the totality of benefits is sufficient to justify the deduction.

The designating body may not designate an area an economic revitalization area or approve the deduction unless it makes the findings required by this subsection in the affirmative.

(d) Except as provided in subsection (h), and subject to subsection

(i) **and section 15 of this chapter**, an owner of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment whose statement of benefits is approved after June 30, 2000, is entitled to a deduction from the assessed value of that equipment for the number of years determined by the designating body under subsection (g). Except as provided in subsection (f) and in section 2(i)(3) of this chapter, and subject to subsection (i) **and section 15 of this chapter**, the amount of the deduction that an owner is entitled to for a particular year equals the product of:

(1) the assessed value of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment in the year of deduction under the appropriate table set forth in subsection (e); multiplied by

(2) the percentage prescribed in the appropriate table set forth in subsection (e).

(e) The percentage to be used in calculating the deduction under subsection (d) is as follows:

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd and thereafter	0%

(2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%
3rd and thereafter	0%

(3) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%

1	2nd	66%
2	3rd	33%
3	4th and thereafter	0%
4	(4) For deductions allowed over a four (4) year period:	
5	YEAR OF DEDUCTION	PERCENTAGE
6	1st	100%
7	2nd	75%
8	3rd	50%
9	4th	25%
10	5th and thereafter	0%
11	(5) For deductions allowed over a five (5) year period:	
12	YEAR OF DEDUCTION	PERCENTAGE
13	1st	100%
14	2nd	80%
15	3rd	60%
16	4th	40%
17	5th	20%
18	6th and thereafter	0%
19	(6) For deductions allowed over a six (6) year period:	
20	YEAR OF DEDUCTION	PERCENTAGE
21	1st	100%
22	2nd	85%
23	3rd	66%
24	4th	50%
25	5th	34%
26	6th	25%
27	7th and thereafter	0%
28	(7) For deductions allowed over a seven (7) year period:	
29	YEAR OF DEDUCTION	PERCENTAGE
30	1st	100%
31	2nd	85%
32	3rd	71%
33	4th	57%
34	5th	43%
35	6th	29%
36	7th	14%
37	8th and thereafter	0%
38	(8) For deductions allowed over an eight (8) year period:	

	YEAR OF DEDUCTION	PERCENTAGE
1		
2	1st	100%
3	2nd	88%
4	3rd	75%
5	4th	63%
6	5th	50%
7	6th	38%
8	7th	25%
9	8th	13%
10	9th and thereafter	0%

(9) For deductions allowed over a nine (9) year period:

	YEAR OF DEDUCTION	PERCENTAGE
11		
12		
13	1st	100%
14	2nd	88%
15	3rd	77%
16	4th	66%
17	5th	55%
18	6th	44%
19	7th	33%
20	8th	22%
21	9th	11%
22	10th and thereafter	0%

(10) For deductions allowed over a ten (10) year period:

	YEAR OF DEDUCTION	PERCENTAGE
23		
24		
25	1st	100%
26	2nd	90%
27	3rd	80%
28	4th	70%
29	5th	60%
30	6th	50%
31	7th	40%
32	8th	30%
33	9th	20%
34	10th	10%
35	11th and thereafter	0%

(f) With respect to new manufacturing equipment and new research and development equipment installed before March 2, 2001, the deduction under this section is the amount that causes the net assessed

1 value of the property after the application of the deduction under this
 2 section to equal the net assessed value after the application of the
 3 deduction under this section that results from computing:

4 (1) the deduction under this section as in effect on March 1, 2001;

5 and

6 (2) the assessed value of the property under 50 IAC 4.2, as in
 7 effect on March 1, 2001, or, in the case of property subject to
 8 IC 6-1.1-8, 50 IAC 5.1, as in effect on March 1, 2001.

9 (g) For an economic revitalization area designated before July 1,
 10 2000, the designating body shall determine whether a property owner
 11 whose statement of benefits is approved after April 30, 1991, is entitled
 12 to a deduction for five (5) or ten (10) years. For an economic
 13 revitalization area designated after June 30, 2000, the designating body
 14 shall determine the number of years the deduction is allowed. However,
 15 the deduction may not be allowed for more than ten (10) years. This
 16 determination shall be made:

17 (1) as part of the resolution adopted under section 2.5 of this
 18 chapter; or

19 (2) by resolution adopted within sixty (60) days after receiving a
 20 copy of a property owner's certified deduction application from
 21 the county auditor. A certified copy of the resolution shall be sent
 22 to the county auditor.

23 A determination about the number of years the deduction is allowed
 24 that is made under subdivision (1) is final and may not be changed by
 25 following the procedure under subdivision (2).

26 (h) The owner of new manufacturing equipment that is directly used
 27 to dispose of hazardous waste is not entitled to the deduction provided
 28 by this section for a particular assessment year if during that
 29 assessment year the owner:

30 (1) is convicted of a violation under IC 13-7-13-3 (repealed),
 31 IC 13-7-13-4 (repealed), or IC 13-30-6; or

32 (2) is subject to an order or a consent decree with respect to
 33 property located in Indiana based on a violation of a federal or
 34 state rule, regulation, or statute governing the treatment, storage,
 35 or disposal of hazardous wastes that had a major or moderate
 36 potential for harm.

37 (i) For purposes of subsection (d), the assessed value of new
 38 manufacturing equipment, new research and development equipment,

new logistical distribution equipment, or new information technology equipment that is part of an owner's assessable depreciable personal property in a single taxing district subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 is the product of:

(1) the assessed value of the equipment determined without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9; multiplied by

(2) the quotient of:

(A) the amount of the valuation limitation determined under 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's depreciable personal property in the taxing district; divided by

(B) the total true tax value of all of the owner's depreciable personal property in the taxing district that is subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 determined:

(i) under the depreciation schedules in the rules of the department of local government finance before any adjustment for abnormal obsolescence; and

(ii) without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9.

SECTION 33. IC 6-1.1-12.1-4.8, AS ADDED BY P.L.154-2006, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4.8. (a) A property owner that is an applicant for a deduction under this section must provide a statement of benefits to the designating body.

(b) If the designating body requires information from the property owner for the designating body's use in deciding whether to designate an economic revitalization area, the property owner must provide the completed statement of benefits form to the designating body before the hearing required by section 2.5(c) of this chapter. Otherwise, the property owner must submit the completed statement of benefits form to the designating body before the occupation of the eligible vacant building for which the property owner desires to claim a deduction.

(c) The department of local government finance shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:

(1) A description of the eligible vacant building that the property owner or a tenant of the property owner will occupy.

1 (2) An estimate of the number of individuals who will be
2 employed or whose employment will be retained by the property
3 owner or the tenant as a result of the occupation of the eligible
4 vacant building, and an estimate of the annual salaries of those
5 individuals.

6 (3) Information regarding efforts by the owner or a previous
7 owner to sell, lease, or rent the eligible vacant building during the
8 period the eligible vacant building was unoccupied.

9 (4) Information regarding the amount for which the eligible
10 vacant building was offered for sale, lease, or rent by the owner
11 or a previous owner during the period the eligible vacant building
12 was unoccupied.

13 (d) With the approval of the designating body, the statement of
14 benefits may be incorporated in a designation application. A statement
15 of benefits is a public record that may be inspected and copied under
16 IC 5-14-3.

17 (e) The designating body must review the statement of benefits
18 required by subsection (a). The designating body shall determine
19 whether an area should be designated an economic revitalization area
20 or whether a deduction should be allowed, after the designating body
21 has made the following findings:

22 (1) Whether the estimate of the number of individuals who will be
23 employed or whose employment will be retained can be
24 reasonably expected to result from the proposed occupation of the
25 eligible vacant building.

26 (2) Whether the estimate of the annual salaries of those
27 individuals who will be employed or whose employment will be
28 retained can be reasonably expected to result from the proposed
29 occupation of the eligible vacant building.

30 (3) Whether any other benefits about which information was
31 requested are benefits that can be reasonably expected to result
32 from the proposed occupation of the eligible vacant building.

33 (4) Whether the occupation of the eligible vacant building will
34 increase the tax base and assist in the rehabilitation of the
35 economic revitalization area.

36 (5) Whether the totality of benefits is sufficient to justify the
37 deduction.

38 A designating body may not designate an area an economic

1 revitalization area or approve a deduction under this section unless the
2 findings required by this subsection are made in the affirmative.

3 (f) Except as otherwise provided in this section, the owner of an
4 eligible vacant building located in an economic revitalization area is
5 entitled to a deduction from the assessed value of the building if the
6 property owner or a tenant of the property owner occupies the eligible
7 vacant building and uses it for commercial or industrial purposes. The
8 property owner is entitled to the deduction:

9 (1) for the first year in which the property owner or a tenant of the
10 property owner occupies the eligible vacant building and uses it
11 for commercial or industrial purposes; and

12 (2) for subsequent years determined under subsection (g).

13 (g) The designating body shall determine the number of years for
14 which a property owner is entitled to a deduction under this section.
15 However, **subject to section 15 of this chapter**, the deduction may not
16 be allowed for more than two (2) years. This determination shall be
17 made:

18 (1) as part of the resolution adopted under section 2.5 of this
19 chapter; or

20 (2) by a resolution adopted not more than sixty (60) days after the
21 designating body receives a copy of the property owner's
22 deduction application from the county auditor.

23 A certified copy of a resolution under subdivision (2) shall be sent to
24 the county auditor, who shall make the deduction as provided in section
25 5.3 of this chapter. A determination concerning the number of years the
26 deduction is allowed that is made under subdivision (1) is final and
27 may not be changed by using the procedure under subdivision (2).

28 (h) Except as provided in section 2(i)(5) of this chapter and
29 subsection (k), **and subject to section 15 of this chapter**, the amount
30 of the deduction the property owner is entitled to receive under this
31 section for a particular year equals the product of:

32 (1) the assessed value of the building or part of the building that
33 is occupied by the property owner or a tenant of the property
34 owner; multiplied by

35 (2) the percentage set forth in the table in subsection (i).

36 (i) The percentage to be used in calculating the deduction under
37 subsection (h) is as follows:

38 (1) For deductions allowed over a one (1) year period:

1	YEAR OF DEDUCTION	PERCENTAGE
2	1st	100%
3	(2) For deductions allowed over a two (2) year period:	
4	YEAR OF DEDUCTION	PERCENTAGE
5	1st	100%
6	2nd	50%

(j) The amount of the deduction determined under subsection (h) shall be adjusted in accordance with this subsection in the following circumstances:

(1) If a general reassessment of real property occurs within the period of the deduction, the amount of the assessed value determined under subsection (h)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the general reassessment.

(2) If an appeal of an assessment is approved and results in a reduction of the assessed value of the property, the amount of a deduction under this section shall be adjusted to reflect the percentage decrease that resulted from the appeal.

(k) The maximum amount of a deduction under this section may not exceed the lesser of:

(1) the annual amount for which the eligible vacant building was offered for lease or rent by the owner or a previous owner during the period the eligible vacant building was unoccupied; or

(2) an amount, as determined by the designating body in its discretion, that is equal to the annual amount for which similar buildings in the county or contiguous counties were leased or rented or offered for lease or rent during the period the eligible vacant building was unoccupied.

(l) The department of local government finance may adopt rules under IC 4-22-2 to implement this section.

SECTION 34. IC 6-1.1-12.1-15 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 15. (a) If:**

(1) as the result of an error the county auditor applies a deduction under this chapter for a particular assessment date in an amount that is less than the amount to which the taxpayer is entitled under this chapter; and

(2) the taxpayer is entitled to a correction of the error under

1 **this article;**
 2 **the county auditor shall apply the correction of the error as**
 3 **provided in this section.**

4 **(b) With respect to a deduction based on an increase in the**
 5 **assessed value of real property, the county auditor shall apply a**
 6 **deduction from the assessed value of the real property:**

7 **(1) except as provided in subsection (d), for the assessment**
 8 **date that next succeeds the last assessment date for which a**
 9 **deduction under this chapter would apply without regard to**
 10 **this section based on that increase; and**

11 **(2) except as provided in subsection (c), in the amount of the**
 12 **lesser of:**

13 **(A) the remainder of:**

14 **(i) the amount of the deduction to which the taxpayer is**
 15 **entitled under this chapter for the particular assessment**
 16 **date under subsection (a); minus**

17 **(ii) the amount of the deduction that was applied for that**
 18 **assessment date; or**

19 **(B) the assessed value of the real property for the**
 20 **assessment date for which the correction applies.**

21 **(c) If the county auditor applies an incorrect deduction as**
 22 **described in subsection (a) for more than one (1) assessment date,**
 23 **the county auditor shall:**

24 **(1) combine the amounts of deduction corrections determined**
 25 **under subsection (b)(2)(A) for all of the assessment dates for**
 26 **which incorrect deductions were applied; and**

27 **(2) except as provided in subsection (d), apply that combined**
 28 **amount as a deduction for the assessment date referred to in**
 29 **subsection (b)(1) in the manner described in subsection (b)(2).**

30 **(d) If:**

31 **(1) the remainder determined under subsection (b)(2)(A); or**

32 **(2) the combined amount of deduction corrections under**
 33 **subsection (c)(1);**

34 **exceeds the assessed value referred to in subsection (b)(2)(B), the**
 35 **county auditor shall carry the excess over as assessed value**
 36 **deductions for the immediately succeeding assessment date or**
 37 **dates.**

38 **(e) With respect to a deduction based on an increase in the**

1 **assessed value of personal property, the county auditor shall apply**
 2 **deduction corrections in the manner provided in subsections (a)**
 3 **through (d), except that the assessed value and deduction**
 4 **determinations apply to the taxpayer's personal property return.**

5 **(f) A taxpayer is not required to file an application for a**
 6 **deduction under this section.**

7 SECTION 35. IC 6-1.1-12.4-2, AS ADDED BY P.L.193-2005,
 8 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2007]: Sec. 2. (a) For purposes of this section, an increase in
 10 the assessed value of real property is determined in the same manner
 11 that an increase in the assessed value of real property is determined for
 12 purposes of IC 6-1.1-12.1.

13 (b) This subsection applies only to a development, redevelopment,
 14 or rehabilitation that is first assessed after March 1, 2005, and before
 15 March 2, 2009. Except as provided in subsection (h) and sections 4, 5,
 16 and 8 of this chapter, an owner of real property that:

17 (1) develops, redevelops, or rehabilitates the real property; and

18 (2) creates or retains employment from the development,
 19 redevelopment, or rehabilitation;

20 is entitled to a deduction from the assessed value of the real property.

21 (c) **Subject to section 14 of this chapter,** the deduction under this
 22 section is first available in the year in which the increase in assessed
 23 value resulting from the development, redevelopment, or rehabilitation
 24 occurs and continues for the following two (2) years. The amount of the
 25 deduction that a property owner may receive with respect to real
 26 property located in a county for a particular year equals the lesser of:

27 (1) two million dollars (\$2,000,000); or

28 (2) the product of:

29 (A) the increase in assessed value resulting from the
 30 development, rehabilitation, or redevelopment; multiplied by

31 (B) the percentage from the following table:

32 YEAR OF DEDUCTION	PERCENTAGE
33 1st	75%
34 2nd	50%
35 3rd	25%

36 (d) A property owner that qualifies for the deduction under this
 37 section must file a notice to claim the deduction in the manner
 38 prescribed by the department of local government finance under rules

adopted by the department of local government finance under IC 4-22-2 to implement this chapter. The township assessor shall:

- (1) inform the county auditor of the real property eligible for the deduction as contained in the notice filed by the taxpayer under this subsection; and
- (2) inform the county auditor of the deduction amount.

(e) The county auditor shall:

- (1) make the deductions; and
- (2) notify the county property tax assessment board of appeals of all deductions approved;

under this section.

(f) The amount of the deduction determined under subsection (c)(2) is adjusted to reflect the percentage increase or decrease in assessed valuation that results from:

- (1) a general reassessment of real property under IC 6-1.1-4-4; or
- (2) an annual adjustment under IC 6-1.1-4-4.5.

(g) If an appeal of an assessment is approved that results in a reduction of the assessed value of the real property, the amount of the deduction under this section is adjusted to reflect the percentage decrease that results from the appeal.

(h) The deduction under this section does not apply to a facility listed in IC 6-1.1-12.1-3(e).

SECTION 36. IC 6-1.1-12.4-3, AS AMENDED BY P.L.154-2006, SECTION 37, AND AS AMENDED BY P.L.169-2006, SECTION 7, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) For purposes of this section, an increase in the assessed value of personal property is determined in the same manner that an increase in the assessed value of new manufacturing equipment is determined for purposes of IC 6-1.1-12.1.

(b) This subsection applies only to personal property that the owner purchases after March 1, 2005, and before March 2, 2009. Except as provided in sections 4, 5, and 8 of this chapter, an owner that purchases personal property other than inventory (as defined in 50 IAC 4.2-5-1, as in effect on January 1, 2005) that:

- (1) was never before used by its owner for any purpose in Indiana; and
- (2) creates or retains employment;

is entitled to a deduction from the assessed value of the personal

1 property.

2 (c) **Subject to section 14 of this chapter**, the deduction under this
 3 section is first available in the year in which the increase in assessed
 4 value resulting from the purchase of the personal property occurs and
 5 continues for the following two (2) years. The amount of the deduction
 6 that a property owner may receive with respect to personal property
 7 located in a county for a particular year equals the lesser of:

8 (1) two million dollars (\$2,000,000); or

9 (2) the product of:

10 (A) the increase in assessed value resulting from the purchase
 11 of the personal property; multiplied by

12 (B) the percentage from the following table:

13 YEAR OF DEDUCTION	PERCENTAGE
14 1st	75%
15 2nd	50%
16 3rd	25%

17 (d) If an appeal of an assessment is approved that results in a
 18 reduction of the assessed value of the personal property, the amount of
 19 the deduction is adjusted to reflect the percentage decrease that results
 20 from the appeal.

21 (e) A property owner must claim the deduction under this section on
 22 the owner's annual personal property tax return. The township assessor
 23 shall:

24 (1) identify the personal property eligible for the deduction to the
 25 county auditor; and

26 (2) inform the county auditor of the deduction amount.

27 (f) The county auditor shall:

28 (1) make the deductions; and

29 (2) notify the county property tax assessment board of appeals of
 30 all deductions approved;

31 under this section.

32 (g) The deduction under this section does not apply to *personal*
 33 *property* at a facility listed in IC 6-1.1-12.1-3(e).

34 SECTION 37. IC 6-1.1-12.4-14 IS ADDED TO THE INDIANA
 35 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 36 [EFFECTIVE JULY 1, 2007]: **Sec. 14. If:**

37 (1) **as the result of an error the county auditor applies a**
 38 **deduction under this chapter for a particular assessment date**

1 **in an amount that is less than the amount to which the**
 2 **taxpayer is entitled under this chapter; and**

3 **(2) the taxpayer is entitled to a correction of the error under**
 4 **this article;**

5 **the county auditor shall apply the correction of the error in the**
 6 **manner that corrections are applied under IC 6-1.1-12.1-15."**

7 Page 19, line 19, after "current" insert "**The right of a taxpayer to**
 8 **obtain a review under this subsection for an assessment date for**
 9 **which a notice of assessment is not given does not relieve an**
 10 **assessing official of the duty to provide the taxpayer with the notice**
 11 **of assessment as otherwise required by this article."**

12 Page 41, between lines 9 and 10, begin a new paragraph and insert:
 13 "SECTION 53. IC 6-1.1-17-8, AS AMENDED BY P.L.2-2006,
 14 SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2007]: Sec. 8. (a) If the county board of tax adjustment
 16 determines that the maximum aggregate tax rate permitted within a
 17 political subdivision under IC 6-1.1-18 is inadequate, the county board
 18 shall, subject to the limitations prescribed in IC 20-45-4, file its written
 19 recommendations in duplicate with the county auditor. The board shall
 20 include with its recommendations:

21 (1) an analysis of the aggregate tax rate within the political
 22 subdivision;

23 (2) a recommended breakdown of the aggregate tax rate among
 24 the political subdivisions whose tax rates compose the aggregate
 25 tax rate within the political subdivision; and

26 (3) any other information that the county board considers relevant
 27 to the matter.

28 (b) The county auditor shall forward one (1) copy of the county
 29 board's recommendations to the department of local government
 30 finance and shall retain the other copy in the county auditor's office.
 31 The department of local government finance shall, in the manner
 32 prescribed in section 16 of this chapter, review the budgets, ~~by fund~~,
 33 tax rates, and tax levies of the political subdivisions described in
 34 subsection (a)(2).

35 SECTION 54. IC 6-1.1-17-16, AS AMENDED BY P.L.2-2006,
 36 SECTION 38, AS AMENDED BY P.L.154-2006, SECTION 44, AND
 37 AS AMENDED BY P.L.169-2006, SECTION 9, IS CORRECTED
 38 AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,

1 2007]: Sec. 16. (a) Subject to the limitations and requirements
 2 prescribed in this section, the department of local government finance
 3 may revise, reduce, or increase a political subdivision's budget, ~~by~~
 4 ~~fund~~, tax rate, or tax levy which the department reviews under section
 5 8 or 10 of this chapter.

6 (b) Subject to the limitations and requirements prescribed in this
 7 section, the department of local government finance may review,
 8 revise, reduce, or increase the budget, ~~by fund~~, tax rate, or tax levy of
 9 any of the political subdivisions whose tax rates compose the aggregate
 10 tax rate within a political subdivision whose budget, tax rate, or tax
 11 levy is the subject of an appeal initiated under this chapter.

12 (c) Except as provided in subsections (j) and (k), before the
 13 department of local government finance reviews, revises, reduces, or
 14 increases a political subdivision's budget, ~~by fund~~, tax rate, or tax levy
 15 under this section, the department must hold a public hearing on the
 16 budget, tax rate, and tax levy. The department of local government
 17 finance shall hold the hearing in the county in which the political
 18 subdivision is located. The department of local government finance
 19 may consider the budgets, ~~by fund~~, tax rates, and tax levies of several
 20 political subdivisions at the same public hearing. At least five (5) days
 21 before the date fixed for a public hearing, the department of local
 22 government finance shall give notice of the time and place of the
 23 hearing and of the budgets, ~~by fund~~, levies, and tax rates to be
 24 considered at the hearing. The department of local government finance
 25 shall publish the notice in two (2) newspapers of general circulation
 26 published in the county. However, if only one (1) newspaper of general
 27 circulation is published in the county, the department of local
 28 government finance shall publish the notice in that newspaper.

29 (d) Except as provided in subsection (i), ~~IC 6-1.1-19~~, IC 20-45,
 30 IC 20-46, or IC 6-1.1-18.5, the department of local government finance
 31 may not increase a political subdivision's budget, ~~by fund~~, tax rate, or
 32 tax levy to an amount which exceeds the amount originally fixed by the
 33 political subdivision. *However, if the department of local government*
 34 *finance determines that IC 5-3-1-2.3(b) applies to the tax rate, tax levy,*
 35 *or budget of the political subdivision, the maximum amount by which*
 36 *the department may increase the tax rate, tax levy, or budget is the*
 37 *amount originally fixed by the political subdivision, and not the*
 38 *amount that was incorrectly published or omitted in the notice*

described in IC 5-3-1-2.3(b). The department of local government finance shall give the political subdivision written notification specifying any revision, reduction, or increase the department proposes in a political subdivision's tax levy or tax rate. The political subdivision has ~~one (1) week~~ *two (2) weeks* from the date the political subdivision receives the notice to provide a written response to the department of local government finance's Indianapolis office. ~~specifying how to make the required reductions in the amount budgeted by fund.~~ The response may include budget reductions, reallocation of levies, a revision in the amount of miscellaneous revenues, and further review of any other item about which, in the view of the political subdivision, the department is in error. The department of local government finance shall ~~make reductions~~ *consider the adjustments* as specified in the political subdivision's response if the response is provided as required by this subsection. ~~and sufficiently specifies all necessary reductions.~~ The department of local government finance may make a revision, a reduction, or an increase in a political subdivision's budget only ~~by fund.~~ **in the total amounts budgeted for each office or department within each of the major budget classifications prescribed by the state board of accounts and shall deliver a final decision to the political subdivision.**

(e) The department of local government finance may not approve a levy for lease payments by a city, town, county, library, or school corporation if the lease payments are payable to a building corporation for use by the building corporation for debt service on bonds and if:

- (1) no bonds of the building corporation are outstanding; or
- (2) the building corporation has enough legally available funds on hand to redeem all outstanding bonds payable from the particular lease rental levy requested.

(f) The department of local government finance shall certify its action to:

- (1) the county auditor;
- (2) the political subdivision if the department acts pursuant to an appeal initiated by the political subdivision;
- (3) the *taxpayer that initiated an appeal under section 13 of this chapter, or, if the appeal was initiated by multiple taxpayers, the first ten (10) taxpayers whose names appear on a petition filed under section 13 of this chapter; the statement filed to initiate the*

- 1 *appeal*; and
- 2 (4) a taxpayer that owns property that represents at least ten
- 3 percent (10%) of the taxable assessed valuation in the political
- 4 subdivision.
- 5 (g) The following may petition for judicial review of the final
- 6 determination of the department of local government finance under
- 7 subsection (f):
- 8 (1) If the department acts under an appeal initiated by a political
- 9 subdivision, the political subdivision.
- 10 (2) If the department:
- 11 (A) acts under an appeal initiated by *one (1) or more* taxpayers
- 12 under section 13 of this chapter; *or*
- 13 (B) *fails to act on the appeal before the department certifies its*
- 14 *action under subsection (f);*
- 15 a taxpayer who signed the ~~*petition under that section*~~ *statement*
- 16 *filed to initiate the appeal.*
- 17 (3) If the department acts under an appeal initiated by the county
- 18 auditor under section 14 of this chapter, the county auditor.
- 19 (4) A taxpayer that owns property that represents at least ten
- 20 percent (10%) of the taxable assessed valuation in the political
- 21 subdivision.
- 22 The petition must be filed in the tax court not more than forty-five (45)
- 23 days after the department certifies its action under subsection (f).
- 24 (h) The department of local government finance is expressly
- 25 directed to complete the duties assigned to it under this section not later
- 26 than February 15th of each year for taxes to be collected during that
- 27 year.
- 28 (i) Subject to the provisions of all applicable statutes, the
- 29 department of local government finance may increase a political
- 30 subdivision's tax levy to an amount that exceeds the amount originally
- 31 fixed by the political subdivision if the increase is:
- 32 (1) requested in writing by the officers of the political
- 33 subdivision;
- 34 (2) either:
- 35 (A) based on information first obtained by the political
- 36 subdivision after the public hearing under section 3 of this
- 37 chapter; or
- 38 (B) results from an inadvertent mathematical error made in

1 determining the levy; and
 2 (3) published by the political subdivision according to a notice
 3 provided by the department.

4 (j) The department of local government finance shall annually
 5 review the budget ~~by fund~~ of each school corporation not later than
 6 April 1. The department of local government finance shall give the
 7 school corporation written notification specifying any revision,
 8 reduction, or increase the department proposes in the school
 9 corporation's budget. ~~by fund~~. A public hearing is not required in
 10 connection with this review of the budget.

11 (k) The department of local government finance may hold a hearing
 12 under subsection (c) only if the notice required in ~~IC 6-1.1-17-12~~
 13 **section 12 of this chapter** is published at least ten (10) days before the
 14 date of the hearing."

15 Page 48, between lines 33 and 34, begin a new paragraph and insert:

16 "SECTION 60. IC 6-1.1-18.5-17, AS AMENDED BY
 17 P.L.154-2006, SECTION 48, IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 17. (a) As used
 19 in this section, "levy excess" means the part of the ad valorem property
 20 tax levy actually collected by a civil taxing unit, for taxes first due and
 21 payable during a particular calendar year, that exceeds the civil taxing
 22 unit's ad valorem property tax levy, as approved by the department of
 23 local government finance under IC 6-1.1-17. The term does not include
 24 delinquent ad valorem property taxes collected during a particular year
 25 that were assessed for an assessment date that precedes the assessment
 26 date for the current year in which the ad valorem property taxes are
 27 collected.

28 (b) A civil taxing unit's levy excess is valid and may not be
 29 contested on the grounds that it exceeds the civil taxing unit's levy limit
 30 for the applicable calendar year. However, the civil taxing unit shall
 31 deposit, except as provided in ~~subsection~~ **subsections (h) and (i)**, its
 32 levy excess in a special fund to be known as the civil taxing unit's levy
 33 excess fund.

34 (c) The chief fiscal officer of a civil taxing unit may invest money
 35 in the civil taxing unit's levy excess fund in the same manner in which
 36 money in the civil taxing unit's general fund may be invested. However,
 37 any income derived from investment of the money shall be deposited
 38 in and becomes a part of the levy excess fund.

(d) The department of local government finance shall require a civil taxing unit to include the amount in its levy excess fund in the civil taxing unit's budget fixed under IC 6-1.1-17.

(e) Except as provided by subsection (f), a civil taxing unit may not spend any money in its levy excess fund until the expenditure of the money has been included in a budget that has been approved by the department of local government finance under IC 6-1.1-17. For purposes of fixing its budget and for purposes of the ad valorem property tax levy limits imposed under this chapter, a civil taxing unit shall treat the money in its levy excess fund that the department of local government finance permits it to spend during a particular calendar year as part of its ad valorem property tax levy for that same calendar year.

(f) A civil taxing unit may transfer money from its levy excess fund to its other funds to reimburse those funds for amounts withheld from the civil taxing unit as a result of refunds paid under IC 6-1.1-26.

(g) Subject to the limitations imposed by this section, a civil taxing unit may use money in its levy excess fund for any lawful purpose for which money in any of its other funds may be used.

(h) If the amount that would, notwithstanding this subsection, be deposited in the levy excess fund of a civil taxing unit for a particular calendar year is less than one hundred dollars (\$100), no money shall be deposited in the levy excess fund of the unit for that year.

(i) This subsection applies only to a civil taxing unit that:

(1) has a levy excess for a particular calendar year;

(2) in the preceding calendar year experienced a shortfall in property tax collections below the civil taxing unit's property tax levy approved by the department of local government finance under IC 6-1.1-17; and

(3) did not receive permission from the local government tax control board to impose, because of the shortfall in property tax collections in the preceding calendar year, a property tax levy that exceeds the limits imposed by section 3 of this chapter.

The amount that a civil taxing unit subject to this subsection must transfer to the civil taxing unit's levy excess fund in the calendar year in which the excess is collected shall be reduced by the amount of the civil taxing unit's shortfall in property tax collections in the

1 preceding calendar year (but the reduction may not exceed the
2 amount of the civil taxing unit's levy excess).".

3 Page 60, between lines 31 and 32, begin a new paragraph and insert:

4 "SECTION 76. IC 6-1.1-37-10, AS AMENDED BY P.L.154-2006,
5 SECTION 55, AND AS AMENDED BY P.L.67-2006, SECTION 11,
6 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
7 [EFFECTIVE JULY 1, 2007]: Sec. 10. (a) Except as provided in
8 ~~section~~ sections 10.5 and 10.7 of this chapter, if an installment of
9 property taxes is not completely paid on or before the due date, a
10 penalty ~~equal to ten percent (10%) of the amount of delinquent taxes~~
11 shall be added to the unpaid portion in the year of the initial
12 delinquency. *The penalty is equal to an amount determined as follows:*

13 (1) *If:*

14 (A) *an installment of property taxes is completely paid on or*
15 *before the date thirty (30) days after the due date; and*

16 (B) *the taxpayer is not liable for delinquent property taxes*
17 *first due and payable in a previous year installment for the*
18 *same parcel;*

19 *the amount of the penalty is equal to five percent (5%) of the*
20 *amount of delinquent taxes.*

21 (2) *If subdivision (1) does not apply, the amount of the penalty is*
22 *equal to ten percent (10%) of the amount of delinquent taxes.*

23 (b) With respect to property taxes due in two (2) equal installments
24 under IC 6-1.1-22-9(a), on the day immediately following the due dates
25 in May and November of each year following the year of the initial
26 delinquency, an additional penalty equal to ten percent (10%) of any
27 taxes remaining unpaid shall be added. With respect to property taxes
28 due in installments under IC 6-1.1-22-9.5, an additional penalty equal
29 to ten percent (10%) of any taxes remaining unpaid shall be added on
30 the day immediately following each date that succeeds the last
31 installment due date by:

32 (1) six (6) months; or

33 (2) a multiple of six (6) months.

34 (c) The penalties under subsection (b) are imposed only on the
35 principal amount of the delinquent taxes.

36 (d) If the department of local government finance determines that
37 an emergency has occurred which precludes the mailing of the tax
38 statement in any county at the time set forth in IC 6-1.1-22-8, the

department shall establish by order a new date on which the installment of taxes in that county is due and no installment is delinquent if paid by the date so established.

(e) If any due date falls on a Saturday, a Sunday, a national legal holiday recognized by the federal government, or a statewide holiday, the act that must be performed by that date is timely if performed by the next succeeding day that is not a Saturday, a Sunday, or one (1) of those holidays.

(f) *Subject to subsections (g) and (h)*, a payment to the county treasurer is considered to have been paid by the due date if the payment is:

(1) received on or before the due date ~~to~~ by the county treasurer or a collecting agent appointed by the county treasurer;

(2) deposited in ~~the~~ United States *first class* mail:

(A) properly addressed to the principal office of the county treasurer;

(B) with sufficient postage; and

(C) ~~certified or~~ postmarked by the United States Postal Service as mailed on or before the due date; ~~or~~

(3) deposited with a nationally recognized express parcel carrier and is:

(A) properly addressed to the principal office of the county treasurer; and

(B) verified by the express parcel carrier as:

(i) paid in full for final delivery; and

(ii) received *by the express parcel carrier* on or before the due date;

(4) *deposited to be mailed through United States registered mail, United States certified mail, or United States certificate of mailing:*

(A) *properly addressed to the principal office of the county treasurer;*

(B) *with sufficient postage; and*

(C) *with a date of registration, certification, or certificate, as evidenced by any record authenticated by the United States Postal Service, on or before the due date; or*

(5) *made by an electronic ~~fund~~ funds transfer and the taxpayer's bank account is charged on or before the due date.*

For purposes of this subsection, "postmarked" does not mean the date printed by a postage meter that affixes postage to the envelope or package containing a payment.

(g) If a payment is mailed through the United States mail and is physically received after the due date without a legible correct postmark, the person who mailed the payment is considered to have made the payment on or before the due date if the person can show by reasonable evidence that the payment was deposited in the United States mail on or before the due date.

(h) If a payment is sent via the United States mail or a nationally recognized express parcel carrier but is not received by the designated recipient, the person who sent the payment is considered to have made the payment on or before the due date if the person:

(1) can show by reasonable evidence that the payment was deposited in the United States mail, or with the express parcel carrier, on or before the due date; and

(2) makes a duplicate payment within thirty (30) days after the date the person is notified that the payment was not received.

SECTION 77. IC 6-1.1-40-10, AS AMENDED BY P.L.154-2006, SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. (a) Subject to subsection (e), an owner of new manufacturing equipment or inventory, or both, whose statement of benefits is approved is entitled to a deduction from the assessed value of that equipment and inventory for a period of ten (10) years. Except as provided in subsections (c) and (d), and subject to subsection (e) **and section 14 of this chapter**, for the first five (5) years, the amount of the deduction for new manufacturing equipment that an owner is entitled to for a particular year equals the assessed value of the new manufacturing equipment. Subject to subsection (e) **and section 14 of this chapter**, for the sixth through the tenth year, the amount of the deduction equals the product of:

(1) the assessed value of the new manufacturing equipment; multiplied by

(2) the percentage prescribed in the following table:

YEAR OF DEDUCTION	PERCENTAGE
6th	100%
7th	95%
8th	80%

1	9th	65%
2	10th	50%
3	11th and thereafter	0%

4 **(b) Subject to section 14 of this chapter**, for the first year the
5 amount of the deduction for inventory equals the assessed value of the
6 inventory. **Subject to section 14 of this chapter**, for the next nine (9)
7 years, the amount of the deduction equals:

8 (1) the assessed value of the inventory for that year; multiplied by

9 (2) the owner's export sales ratio for the previous year, as certified
10 by the department of state revenue under IC 6-3-2-13.

11 (c) A deduction under this section is not allowed in the first year the
12 deduction is claimed for new manufacturing equipment to the extent
13 that it would cause the assessed value of all of the personal property of
14 the owner in the taxing district in which the equipment is located to be
15 less than the assessed value of all of the personal property of the owner
16 in that taxing district in the immediately preceding year.

17 (d) If a deduction is not fully allowed under subsection (c) in the
18 first year the deduction is claimed, then the percentages specified in
19 subsection (a) apply in the subsequent years to the amount of deduction
20 that was allowed in the first year.

21 (e) For purposes of subsection (a), the assessed value of new
22 manufacturing equipment that is part of an owner's assessable
23 depreciable personal property in a single taxing district subject to the
24 valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 is the product
25 of:

26 (1) the assessed value of the equipment determined without
27 regard to the valuation limitation in 50 IAC 4.2-4-9 or 50
28 IAC 5.1-6-9; multiplied by

29 (2) the quotient of:

30 (A) the amount of the valuation limitation determined under
31 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's

32 depreciable personal property in the taxing district; divided by

33 (B) the total true tax value of all of the owner's depreciable
34 personal property in the taxing district that is subject to the
35 valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9
36 determined:

37 (i) under the depreciation schedules in the rules of the
38 department of local government finance before any

adjustment for abnormal obsolescence; and

(ii) without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9.

SECTION 78. IC 6-1.1-40-14 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 14. If:**

(1) as the result of an error the county auditor applies a deduction under this chapter for a particular assessment date in an amount that is less than the amount to which the taxpayer is entitled under this chapter; and

(2) the taxpayer is entitled to a correction of the error under this article;

the county auditor shall apply the correction of the error in the manner that corrections are applied under IC 6-1.1-12.1-15.

SECTION 79. IC 6-1.1-42-28 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 28. (a) Subject to this section **and section 34 of this chapter**, the amount of the deduction which the property owner is entitled to receive under this chapter for a particular year equals the product of:

(1) the increase in the assessed value resulting from the remediation and redevelopment in the zone or the location of personal property in the zone, or both; multiplied by

(2) the percentage determined under subsection (b).

(b) The percentage to be used in calculating the deduction under subsection (a) is as follows:

(1) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%

(2) For deductions allowed over a six (6) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	66%
4th	50%
5th	34%
6th	17%

(3) For deductions allowed over a ten (10) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	95%
3rd	80%
4th	65%
5th	50%
6th	40%
7th	30%
8th	20%
9th	10%
10th	5%

(c) The amount of the deduction determined under subsection (a) shall be adjusted in accordance with this subsection in the following circumstances:

(1) If a general reassessment of real property occurs within the particular period of the deduction, the amount determined under subsection (a)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the general reassessment.

(2) If an appeal of an assessment is approved that results in a reduction of the assessed value of the redeveloped or rehabilitated property, the amount of any deduction shall be adjusted to reflect the percentage decrease that resulted from the appeal.

(3) The amount of the deduction may not exceed the limitations imposed by the designating body under section 23 of this chapter.

(4) The amount of the deduction must be proportionally reduced by the proportionate ownership of the property by a person that:

(A) has an ownership interest in an entity that contributed; or

(B) has contributed;

a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management.

The department of local government finance shall adopt rules under IC 4-22-2 to implement this subsection.

SECTION 80. IC 6-1.1-42-34 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS

[EFFECTIVE JULY 1, 2007]: **Sec. 34. If:**

- (1) as the result of an error the county auditor applies a deduction under this chapter for a particular assessment date in an amount that is less than the amount to which the taxpayer is entitled under this chapter; and**
- (2) the taxpayer is entitled to a correction of the error under this article;**

the county auditor shall apply the correction of the error in the manner that corrections are applied under IC 6-1.1-12.1-15.

SECTION 81. IC 6-1.5-2-6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 6. Notwithstanding IC 5-14-3-8, the Indiana board shall charge a person that files a petition with the Indiana tax court for review of a determination by the Indiana board the reasonable cost of preparing any necessary copies and transcripts for transmittal to the court."**

Page 64, delete lines 29 through 42.

Page 65, delete lines 1 through 24.

Page 77, line 40, delete "or".

Page 77, line 42, after ";" insert "**or**

(C) the transfer of duties is required by subsection (j);"

Page 78, between lines 27 and 28, begin a new line blocked left and insert:

"An ordinance under this subsection to transfer assessment duties must apply to all townships in the county."

Page 78, after line 42, begin a new line blocked left and insert:

"An ordinance under this subsection to hold a referendum concerning the transfer of assessment duties must require the referendum to apply to all townships in the county. An ordinance may not be adopted under this subsection in a year in which an election of township assessors will be held in the county."

Page 79, line 9, after "determined." insert "**An ordinance under**

this subsection to transfer assessment duties must apply to all townships in the county."

Page 79, line 15, after "county." insert "**An ordinance under this subsection to hold a referendum concerning the transfer of assessment duties must require the referendum to apply to all townships in the county."**

1 Page 79, between lines 26 and 27, begin a new paragraph and insert:

2 **"(j) If for a particular general election after June 30, 2008, there**
 3 **is not a candidate in a township for the office of township assessor**
 4 **or the office of township trustee-assessor who has attained the**
 5 **certification of a level two assessor-appraiser as required by**
 6 **IC 3-8-1-23.5, the assessment duties prescribed by IC 6-1.1 that**
 7 **would otherwise be performed in the township by the township**
 8 **assessor or township trustee-assessor are transferred to the county**
 9 **assessor on January 1 following the general election. If assessment**
 10 **duties in a township are transferred to the county assessor under**
 11 **this subsection, those assessment duties are transferred back to the**
 12 **township assessor or township trustee-assessor (as appropriate) if**
 13 **at a later election a candidate who has attained the certification of**
 14 **a level two assessor-appraiser as required by IC 3-8-1-23.5 is**
 15 **elected to the office of township assessor or the office of township**
 16 **trustee-assessor."**

17 Page 89, line 27, strike "a salary".

18 Page 89, line 28, strike "increase of" and insert "**receive annually**".

19 Page 89, line 29, after "IC 6-1.1-35.5" delete "." and insert "**, which**
 20 **is in addition to and not part of the annual compensation of the**
 21 **township assessor."**

22 Page 89, line 32, strike "a salary of" and insert "**receive annually**".

23 Page 89, line 33, after "predecessor" delete "." and insert "**, which**
 24 **is in addition to and not part of the annual compensation of the**
 25 **township assessor."**

26 Page 89, line 36, strike "a salary increase of" and insert "**receive**
 27 **annually**".

28 Page 89, line 37, after "IC 6-1.1-35.5" delete "." and insert "**, which**
 29 **is in addition to and not part of the annual compensation of the**
 30 **employee."**

31 Page 89, line 38, strike "salary increase under this section comprises
 32 a part of the".

33 Page 89, line 39, strike "township assessor's or employee's base
 34 salary" and insert "**township assessor or employee who becomes**
 35 **entitled to receive an additional amount under this section is**
 36 **entitled to receive the additional amount"**.

37 Page 98, line 18, after "IC 6-1.1-35.5-8" delete "." and insert ";
 38 IC 6-6-5.5-18."

- 1 Page 99, between lines 31 and 32, begin a new paragraph and insert:
 2 "SECTION 130. [EFFECTIVE JULY 1, 2007] **IC 6-1.1-12.1-4,**
 3 **IC 6-1.1-12.1-4.1, IC 6-1.1-12.1-4.5, IC 6-1.1-12.1-4.8,**
 4 **IC 6-1.1-12.4-2, IC 6-1.1-12.4-3, IC 6-1.1-40-10, and IC 6-1.1-42-28,**
 5 **all as amended by this act, and IC 6-1.1-12.1-15, IC 6-1.1-12.4-14,**
 6 **IC 6-1.1-40-14, and IC 6-1.1-42-34, all as added by this act, apply**
 7 **only to corrections of assessed value deductions for assessment**
 8 **dates after December 31, 2007."**
 9 Renumber all SECTIONS consecutively.
 (Reference is to SB 287 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 10, Nays 0.

Kenley

Chairperson